

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:	:	Case No. 11-27013-TPA
Jerald E. Doughty and	:	
Mary Ann Doughty,	:	Chapter 11
Debtors-in-Possession	:	
<hr style="width: 50%; margin-left: 0;"/>	:	Document No. 561
Mary Ann Doughty,	:	
Movant	:	
	:	
vs.	:	
	:	
CNX Gas Company, LLC,	:	
Allegheny County Real Estate Tax,	:	
Andrew & Price,	:	
County of Allegheny,	:	
VFC Partners 6, LLC,	:	
Huntington National Bank,	:	
West Allegheny School District,	:	
Respondents	:	
	:	

MOTION TO APPROVE OIL AND GAS LEASE

NOW COMES the Movant, Mary Ann Doughty, by and through her attorney, Paul W. McElrath, Jr., Esquire, of the law firm of McElrath Legal Holdings, LLC and file the within Motion to Approve Oil and Gas Lease, and in support thereof avers as follows:

1. The Debtors are Jerald E. Doughty and MaryAnn Doughty, adult individuals who commenced this case by filing for protection under chapter 11 of the bankruptcy code on November 16, 2011.
2. Debtor-Husband Jerald E. Doughty passed away on September 5, 2012.
3. The Debtor-Wife, MaryAnn Doughty, presently resides at 2280 Hookstown Grade Road, Clinton, Pennsylvania 15026.
4. MaryAnn Doughty is the Movant and is acting as the Debtor in the within Chapter 11 case. She has the authority to sell and lease assets as a debtor-in-possession. The Debtor has this right, pursuant to 11 U.S.C. §1303.

5. The Respondent, CNX Gas Company, LLC, a subsidiary of Consol Energy, Inc., is a gas and oil drilling corporation doing business in the Western District of Pennsylvania and utilizing the mailing address of 1000 Consol Energy Drive, Canonsburg, Pennsylvania 15317.
6. Jurisdiction of the Court is based on 28 U.S.C. Sections 1334 and 1322(b)(8).
7. This proceeding is a “core” proceeding over which this Court has jurisdiction pursuant to 28 U.S.C. §157(b)(2)(N).
8. Among the Movant’s assets are five (5) parcels of real property located at 2275 Hookstown Grade Road, Clinton PA 15026, 2302 Hookstown Grade Road, Clinton PA 15026, 2280 Hookstown Grade Road, Clinton PA 15026, four (4) Acres of land located on Hookstown Grade Road in Clinton PA, and 2.32 Acres of land located on Hookstown Grade Road in Clinton PA located in the County of Allegheny, consisting of land with parcel ID numbers 1049-E-00052-0000-00, 1049-E-00097-0000-00, 1049-A-00036-0000-00, 1182-H-00173-0000-00, and 1049-A-00065-0000-00.
9. The Debtor owns said properties as evidenced by the deeds recorded in the Allegheny County Courthouse.
10. The Movant, Mary Ann Doughty, wishes to enter into a five (5) year oil and gas lease with the Respondent, CNX Gas Company, LLC, which allows the company access to drill on the Movant’s above-mentioned real property. The Respondent will pay the Movant Two Hundred Twenty-Seven Thousand Nine Hundred Forty-Three Dollars and Fifty Cents (\$227,943.50), or Two Thousand Five Hundred Dollars (\$2,500.00) per acre of land, with an acreage total of Ninety-One Point One Seven Seven Four (91.1774). A copy of the lease agreement is attached hereto and marked as Exhibit “A”.
11. All payments will be paid in full in advance.

12. The Lessee may extend such term for an additional period equal to the primary term by paying the Debtor Five Hundred Dollars (\$500.00) per acre per year extended.
13. Additional provisions of the lease are set forth more fully in the Paid-Up Lease Agreement, attached hereto and marked as Exhibit "A."
14. This agreement is subject to the approval of the Bankruptcy Court.
15. Allegheny County has been named as a Respondent herein, because it holds a valid secured tax lien and interest in the property.
16. Andrew & Price has been named as a Respondent herein, because its holds a valid tax lien and interest in the property subject to the lease.
17. VFC Partners 6, LLC been named as a Respondent herein, because its lien is being divested as a result of the agreement.
18. Huntington National Bank has been named as a Respondent herein, because it holds a valid lien against the property subject to the lease.
19. West Allegheny School District has been named as a Respondent herein, because it holds a valid lien against the property subject to the lease.
20. On January 10, 2014, this Court entered an Order allowing Michael B. Jones, Esquire to assist the Debtor in negotiating the Oil and Gas Lease Agreement. The fee for Attorney Jones is \$11,397.18 for his services in obtaining this lease for the Debtor.
21. The Debtor has agreed to reimburse Paul McElrath, Jr., Esquire for all costs and expenses related to this Motion.
22. The agreement is in the Chapter 11 case. The agreement is in the best interest of all parties since it will help the Debtor to consummate her Chapter 11 Plan of Reorganization.
23. The Debtor wishes to use a portion of the lease proceeds to cure post-confirmation payment defaults to her creditors.

24. All net proceeds will be paid to the Debtor's creditors in priority amount as established by the Debtor's chapter 11 plan of reorganization until such creditors are paid in full.

25. The Debtor will have complied with all rules regarding notice and advertising prior to a hearing on the agreement.

WHEREFORE, the Debtor herein respectfully prays that this Court hereby order as follows:

1. That the Oil and Gas Lease with CNX Gas Company, LLC be approved.
2. Any other or further relief that this Court deems just and proper.

Respectfully submitted,

Date: April 25, 2014

/s/ Paul W. McElrath, Jr.
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